

IN THE CLAIMS:

Please amend the claims to read as follows:

1. (Currently amended) A method of obtaining predictive information for inhomogeneous financial time series, comprising the steps of:
 - constructing an inhomogeneous time series z that represents received financial market transaction data;
 - constructing an exponential moving average operator $\text{EMA}[\tau; z]$;
 - constructing an iterated exponential moving average operator based on said exponential moving average operator;
 - constructing a time-translation-invariant, causal operator $\Omega[z]$ that is a convolution operator with kernel ω and that is based on said iterated exponential moving average operator; and
 - electronically calculating in a computer values of one or more predictive factors relating to said time series z , wherein said one or more predictive factors are defined in terms of said operator $\Omega[z]$.

2. (Original) The method of claim 1, wherein said operator $\Omega[z]$ has the form:

$$\begin{aligned}\Omega[z](t) &= \int_{-\infty}^t dt' \omega(t-t') z(t') \\ &= \int_0^{\infty} dt' \omega(t') z(t-t').\end{aligned}$$

3. (Previously presented) The method of claim 1, wherein said exponential moving average operator $\text{EMA}[\tau; z]$ has the form:

$$\text{EMA}[\tau; z](t_n) = \mu \text{EMA}[\tau; z](t_{n-1}) + (\nu - \mu) z_{n-1} + (1 - \nu) z_n, \text{ with}$$

$$\alpha = \frac{t_n - t_{n-1}}{\tau}$$

$$\mu = e^{-\alpha},$$

where ν depends on a chosen interpolation scheme.

4. (Original) The method of claim 1, wherein said operator $\Omega[z]$ is a differential operator $\Delta[\tau]$ that has the form:

$$\Delta[\tau] = \gamma(\text{EMA}[\alpha\tau, 1] + \text{EMA}[\alpha\tau, 2] - 2\text{EMA}[\alpha\beta\tau, 4]),$$

where γ is fixed so that the integral of the kernel of the differential operator from the origin to the first zero is 1; α is fixed by a normalization condition that requires $\Delta[\tau; c]=0$ for a constant c ; and β is chosen in order to get a short tail for the kernel of the differential operator $\Delta[\tau]$.

5. (Original) The method of claim 4 wherein said one or more predictive factors comprises a return of the form $r[\tau]=\Delta[\tau; x]$, where x represents a logarithmic price.

6. (Original) The method of claim 1 wherein said one or more predictive factors comprises a momentum of the form $x - \text{EMA}[\tau; x]$, where x represents a logarithmic price.

7. (Original) The method of claim 1 wherein said one or more predictive factors comprises a volatility.

8. (Original) The method of claim 7 wherein said volatility is of the form:

$\text{Volatility}[\tau, \tau', p; z]=\text{MNorm}[\tau/2, p; \Delta[\tau'; z]]$, where

$\text{MNorm}[\tau, p; z]=\text{MA}[\tau; |z|^p]^{1/p}$, and

$$\text{MA}[\tau, n]=\frac{1}{n} \sum_{k=1}^n \text{EMA}[\tau', k], \text{ with } \tau' = \frac{2\tau}{n+1},$$

and where p satisfies $0 < p \leq 2$, and τ' is a time horizon of a return $r[\tau]=\Delta[\tau; x]$, where x represents a logarithmic price.

9. (Currently amended) A method of obtaining predictive information for inhomogeneous financial time series, comprising the steps of:

constructing an inhomogeneous time series z that corresponds to received financial market transaction data;

constructing an exponential moving average operator;

constructing an iterated exponential moving average operator based on said exponential moving average operator;

constructing a time-translation-invariant, causal operator $\Omega[z]$ that is a convolution operator with kernel ω and that is based on said iterated exponential moving average operator;

constructing a standardized time series z ; and

electronically calculating in a computer values of one or more predictive factors relating to said time series z , wherein said one or more predictive factors are defined in terms of said standardized time series z .

10. (Original) The method of claim 9 wherein the standardized time series z is of the form:

$$\hat{z}[\tau] = \frac{z - MA[\tau; z]}{MSD[\tau; z]}$$

where

$$MA[\tau, n] = \frac{1}{n} \sum_{k=1}^n EMA[\tau', k], \text{ with } \tau' = \frac{2\tau}{n+1}, \text{ and}$$

$$\text{where } MSD[\tau, p; z] = MA[\tau; |z - MA[\tau; z]|^p]^{1/p}.$$

11. (Original) The method of claim 9 wherein said one or more predictive factors comprises a moving skewness.

12. (Previously presented) The method of claim 11 wherein said moving skewness is of the form:

$$MSkewness[\tau_1, \tau_2; z] = MA[\tau_1; \hat{z}[\tau_2]^3]$$

where τ_1 is the length of a time interval around time "now" and τ_2 is the length of a time interval around time "now- τ ".

13. (Original) The method of claim 12 wherein the standardized time series \hat{z} is of the form:

$$\hat{z}[\tau] = \frac{z - MA[\tau; z]}{MSD[\tau; z]}$$

where

$$MA[\tau, n] = \frac{1}{n} \sum_{k=1}^n EMA[\tau', k], \text{ with } \tau' = \frac{2\tau}{n+1}, \text{ and}$$

$$\text{where } MSD[\tau, p; z] = MA[\tau; |z - MA[\tau; z]|^p]^{1/p}.$$

14. (Original) The method of claim 9 wherein said one or more predictive factors comprises a moving kurtosis.

15. (Original) The method of claim 14 wherein said moving kurtosis is of the form

$$MKurtosis[\tau_1, \tau_2; z] = MA[\tau_1; \hat{z}[\tau_2]^4],$$

where τ_1 is the length of a time interval around time "now" and τ_2 is the length of a time interval around time "now- τ ".

16. (Original) The method of claim 15 wherein the standardized time series \hat{z} is of the form:

$$\hat{z}[\tau] = \frac{z - MA[\tau; z]}{MSD[\tau; z]}$$

where

$$MA[\tau, n] = \frac{1}{n} \sum_{k=1}^n EMA[\tau', k], \text{ with } \tau' = \frac{2\tau}{n+1}, \text{ and}$$

where $MSD[\tau, p; z] = MA[\tau; |z - MA[\tau; z]|^p]^{1/p}$.

17. (Currently amended) A method of obtaining predictive information for inhomogeneous financial time series, comprising the steps of:

constructing an inhomogeneous time series z that corresponds to received financial market transaction data;

constructing an exponential moving average operator $EMA[\tau; z]$;

constructing an iterated exponential moving average operator based on said exponential moving average operator $EMA[\tau; z]$;

constructing a time-translation-invariant, causal operator $\Omega[z]$ that is a convolution operator with kernel ω and time range τ , and that is based on said iterated exponential moving average operator;

constructing a moving average operator MA that depends on said EMA operator;

constructing a moving standard deviation operator MSD that depends on said MA operator; and

electronically calculating in a computer values of one or more predictive factors relating to said time series z , wherein said one or more predictive factors depend on one or more of said operators EMA , MA , and MSD .

18. (Original) The method of claim 17 wherein said one or more predictive factors comprises a moving correlation.

19. (Original) The method of claim 18 wherein said moving correlation is of the form:

$$MCorrelation[\hat{y}, \hat{z}](t) = \int_0^\infty \int_0^\infty dt' dt'' c(t', t'') \hat{y}(t - t') \hat{z}(t - t'').$$

20. (Currently amended) A method of obtaining predictive information for inhomogeneous financial time series, comprising the steps of:

constructing an inhomogeneous time series z that corresponds to received financial market transaction data;

constructing a complex iterated exponential moving average operator $EMA[\tau; z]$, with kernel ema ;

constructing a time-translation-invariant-, causal operator $\Omega[z]$ that is a convolution operator with kernel ω and time range τ , and that is based on said complex iterated exponential moving average operator;

constructing a windowed Fourier transform WF that depends on said EMA operator; and

electronically calculating in a computer values of one or more predictive factors relating to said time series z , wherein said one or more predictive factors depend on said windowed Fourier transform.

21. (Previously presented) The method of claim 20 wherein said complex iterated exponential moving average operator EMA has a kernel ema of the form:

$$ema[\varsigma, n](t) = \frac{1}{(n-1)!} \left(\frac{t}{\tau} \right)^{n-1} \frac{e^{-\varsigma t}}{\tau}$$

where $\varsigma \in C$, with $\varsigma = \frac{1}{\tau}(1 + ik)$.

22. (Original) The method of claim 20 wherein EMA is computed using the iterative computational formula:

$$EMA[\varsigma; z](t_n) = \mu EMA[\varsigma; z](t_{n-1}) + z_{n-1} \frac{\nu - \mu}{1 + ik} + z_n \frac{1 - \nu}{1 + ik}, \text{ with}$$

$$\alpha = \varsigma(t_n - t_{n-1})$$

$$\mu = e^{-\alpha}$$

where ν depends on a chosen interpolation scheme.

23. (Original) The method of claim 20 wherein said windowed Fourier transform has a kernel wf of the form:

$$wf[\tau, k, n](t) = \frac{1}{n} \sum_{j=1}^n ema[\varsigma, j](t).$$

24. (Previously presented) The method of claim 23 wherein said ema is of the form:

$$ema[\varsigma, n](t) = \frac{1}{(n-1)!} \left(\frac{t}{\tau} \right)^{n-1} \frac{e^{-\varsigma t}}{\tau}$$

where $\varsigma \in C$ with $\varsigma = \frac{1}{\tau}(1 + ik)$.

25. (Currently amended) A method of obtaining predictive information for inhomogeneous time series, comprising the steps of:

constructing an inhomogeneous time series z that represents time series data;

constructing an exponential moving average operator;

constructing an iterated exponential moving average operator based on said exponential moving average operator;

constructing a time-translation-invariant, causal operator $\Omega[z]$ that is a convolution operator with kernel ω and that is based on said iterated exponential moving average operator; and

electronically calculating in a computer values of one or more predictive factors relating to said time series z , wherein said one or more predictive factors are defined in terms of said operator $\Omega[z]$.